

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN MIKE TAYLOR**, on January 30, 2001 at 8:00 A.M., in Room 422 Capitol.

ROLL CALL

Members Present:

Sen. Mike Taylor, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Edward Butcher (R)
Sen. Vicki Cocchiarella (D)
Sen. Dale Mahlum (R)
Sen. Glenn Roush (D)

Members Excused: Sen. Dale Berry (R)
Sen. Sam Kitzenberg (R)
Sen. Don Ryan (D)

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Kyanne Kelly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 96, 1/27/2001; SB 97,
1/27/2001; SB 253, 1/27/2001
Executive Action: SB96; SB97

HEARING ON SB 96

Sponsor: SENATOR DALE MAHLUM, SD 35, MISSOULA

Informational Witness: Jerry Keck, Montana Department of Labor

Proponents: Jerry Keck, Montana Department of Labor
George Wood, Montana Self Insurers Association
Nancy Butler, State Fund Insurance
Riley Johnson, Federation of Independent Business
Bob Worthington, Montana Insurance Authority
Jacqueline Lenmark, American Insurance Association
Glen Gregor, Montana Injured Workers Council
Don Judge, AFL-CIO
Jerry Driscoll, Building Trades Council
Berry Stang, Montana Motor Carriers Association
Dwight Easton, Farmers Insurance
Brian Wohlers, Representing Himself
Rebecca Moog, Montana Trial Lawyers Association

Opponents: None

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 1.6}

SENATOR DALE MAHLUM, SD 35, MISSOULA said this bill comes out of an interim study committee. He said this bill would revise the waiting period for collecting benefits in Workers's Comp cases from six to five days.

Informational Witness:

Jerry Keck, Montana Department of Labor, said his department conducted a survey which would provide a framework within which to evaluate SB 96. **EXHIBIT**(bus24a01)

Proponents' Testimony:

George Wood, Montana Self Insurers Association, said he supports this bill with the amendments.

Nancy Butler, State Fund Insurance, said it would be relatively easy for them to administer the changes involved if this bill passed.

Riley Johnson, Federation of Independent Business, said he supports this bill with the amendments.

Bob Worthington, Montana Insurance Authority, stated he supports the bill as amended.

Jacqueline Lenmark, American Insurance Association, stated she supports this bill with the amendments.

Glen Gregor, Montana Injured Workers Council, said he supports this bill.

Don Judge, AFL-CIO, said this would provide some improvement in the dismal Workers' Comp system in Montana. He thought the bill without amendments would be better than with the amendments.

Jerry Driscoll, Building Trades Council, said they support the bill with the amendment.

Berry Stang, Montana Motor Carriers Association, cautiously supported this bill with the amendments.

Dwight Easton, Farmers Insurance, said they support the bill as amended.

Brian Wohlers, Representing Himself, said he supports the bill.

Rebecca Moog, Montana Trial Lawyers Association, said she liked the bill better before it was amended, but would support it as amended.

Opponents' Testimony: None

Questions from Committee Members and Responses:

CHAIRMAN MIKE TAYLOR asked if the premium payroll is \$321,000 per year.

Nancy Butler said their premium for State Fund runs about 70 million a year. The rates would increase about 1%.

Closing by Sponsor: **SENATOR DALE MAHLUM, SD 35, MISSOULA**, closed without comment.

HEARING ON SB 97

Sponsor: SENATOR DALE MAHLUM, SD 35, MISSOULA

Informational Witness: Jerry Keck, Montana Department of Labor

Proponents: George Wood, Montana Self Insurers Association
Nancy Butler, State Fund Insurance
Jacqueline Lenmark, American Insurance Association
Riley Johnson, Federation of Independent Business
Bob Worthington, Montana Insurance Authority
Jerry Driscoll, Building Trades Council
Don Judge, AFL-CIO
Berry Stang, Montana Motor Carriers Association
Glen Gregor, Montana Injured Workers Council
Rebecca Moog, Montana Trial Lawyers Association
Brian Wohlers, Representing Himself

Opponents: None

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 16.7}

SENATOR DALE MAHLUM, SD 35, MISSOULA, said this bill would reimburse injured workers for reasonable travel expenses. He handed out an amendment **EXHIBIT (bus24a02)**. The amendment said that if a worker is injured on his way to treatment for injuries, Workers' Comp would not be responsible.

Informational Witness:

Jerry Keck, Montana Department of Labor, referenced the study they had conducted. He said Montana was the only state that did not require Workers' Comp to pay for the expenses of travel to treatment. **EXHIBIT (bus24a03)** **EXHIBIT (bus24a04)**

Proponents' Testimony:

George Wood, Montana Self Insurers Association, said he supports the bill with the amendment. He said this bill would pay travel expenses when the choice of the treatment was with the insured.

Nancy Butler, State Fund Insurance, stated they support the bill with the amendments.

Jacqueline Lenmark, American Insurance Association, supports the bill with the amendments.

Riley Johnson, Federation of Independent Business, said he supports this bill.

Bob Worthington, Montana Insurance Authority, said he supports this bill, he also supports the amendment.

Jerry Driscoll, Building Trades Council, said the Building Trades Council has a disclaimer in their policy that workers are not covered by Workers' Comp if they should be injured when they are in route to treatment.

Don Judge, AFL-CIO, stated he is very much in support of this legislation without the amendments. He said the worker is required to get the treatment, therefore it is a part of the work situation.

Berry Stang, Montana Motor Carriers Association, said he supports this bill if amended.

Glen Gregor, Montana Injured Workers Council, said he supports the bill as written, and does not support the amendment.

Rebecca Moog, Montana Trial Lawyers Association, said she supports the bill without amendments.

Brian Wohlers, Representing Himself, said he supports the bill as written, but does not support the amendment.

Opponents' Testimony: None

Questions from Committee Members and Responses:

CHAIRMAN MIKE TAYLOR asked for explanation for the opposition to the amendment.

George Wood said the injured worker has a duty to repair himself, and therefore he should still be covered under Workers' Comp while traveling to treatment.

CHAIRMAN TAYLOR asked if this would increase the cost to the employer.

George Wood said yes, it would increase costs to them.

SENATOR EDWARD BUTCHER asked if requiring a co-payment from the injured person would make them more judicious in choosing treatment.

Nancy Butler replied they haven't had that situation so she could not give data on that.

SENATOR GLENN ROUSH asked if 100 miles was enough.

Nancy Butler pointed out that the 100 miles is a deductible.

SENATOR VICKI COCCHIARELLA stated that when the insurer sends someone to a doctor the insurance company pays for that already, this bill covers non-mandatory treatment.

SENATOR MIKE SPRAGUE asked **Don Judge** what his problem was with the amendment.

Don Judge said he thinks it is legislatively constitutionally unconstitutional based upon the other Workers' Comp systems.

SENATOR SPRAGUE asked what effect these amendments have on the bill.

George Wood said the bill increases benefits to the injured workers. He said it is not mandated that they go to the doctor, it is mandated that if they want to receive Workers' Comp they need to seek treatment.

Closing by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 16.2}

SENATOR DALE MAHLUM, SD 35, MISSOULA, said the intention of the interim committee was to help the injured workers of Montana. He stated that the amendments are just common sense.

EXECUTIVE ACTION ON SB 96

Motion/Vote: SEN. SPRAGUE moved that **AMENDMENT TO SB 96 BE ADOPTED.** Motion carried 7-1 with Cocchiarella voting no.

Motion/Vote: SEN. TAYLOR moved that **SB92 DO PASS AS AMENDED.** Motion carried unanimously.

EXECUTIVE ACTION ON SB97

Motion/Vote: SEN. SPRAGUE moved that **AMENDMENTS TO SB97 BE ADOPTED**. Motion carried 6-2 with Cocchiarella and Roush voting no.

Motion/Vote: SEN. TAYLOR moved that **SB 97 DO PASS**. Motion carried unanimously.

HEARING ON SB 253

Sponsor: SENATOR VICKI COCCHIARELLA, SD 32, MISSOULA

Proponents: Kristi Blazer, Montana Rental Dealers Association
Brad Denison, Rent-A-Center
Tony Longin, Montana Rental Dealers Association
Barbara Piccolo, Piccolo's Music

Opponents: None

Opening Statement by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 26.5}

SENATOR VICKI COCCHIARELLA, SD 32, MISSOULA, said this bill does not increase regulation, but does provide more clear regulation and it does protect consumers.

Proponents' Testimony:

Kristi Blazer, Montana Rental Dealers Association, said the association supports HB 253. The Rent-To-Own transaction is unique and currently one that is not regulated in Montana. She handed out a diagram to depict this. **EXHIBIT (bus24a05)** She also handed in testimony from two people who could not be here. **EXHIBIT (bus24a06) EXHIBIT (bus24a07)**

Brad Denison, Rent-A-Center, had prepared a hand out. **EXHIBIT (bus24a08)** He said this bill provides protection for everyone, the consumer and the dealer.

Tony Longin, Montana Rental Dealers Association, said they support this bill as providing legislation which would regulate their specific and unique industry.

Barbara Piccolo, Piccolo's Music, said she had been operating under contract law, but this will be better because of the return policy.

Opponents' Testimony: None

Informational Witness: **Annie Bartos, Department of Commerce**, said this would fall under the Department of Commerce. She then handed out a proposed amendment to the bill. **EXHIBIT (bus24a09)**

Questions from Committee Members and Responses:

SENATOR MIKE SPRAGUE asked what the amendments were meant to do.

Annie Bartos replied that the amendments provides for a new section which provides for enforcement. It would give the Department the ability to investigate, to enforce the law and it would also provide the consumer with a private course of action.

CHAIRMAN MIKE TAYLOR asked if Brad had information he would like to give.

Brad Denison explained the amendments that **Kristi Blazer** handed in. He said the amendments provide that if a dealer said a rental item was used and it was new it wouldn't be a violation of the agreement. But if they said it was new and it was used, it would be a violation. **EXHIBIT (bus24a10)**

CHAIRMAN TAYLOR asked if this bill would increase cost to the consumers.

Brad Denison said no.

CHAIRMAN TAYLOR asked if Brad Denison had objections to the amendment brought to the committee by Annie Bartos.

Brad Denison said he didn't think so, but he would like to have some time to study it before making a definite statement.

CHAIRMAN TAYLOR asked who would oversee this?

Annie Bartos said it would be the Consumer Affairs.

CHAIRMAN TAYLOR asked if it would create a fiscal note.

Annie Bartos said no.

SENATOR SPRAGUE asked about the effective date of approval.

Annie Bartos said Section 15 said this would apply to agreements entered into on or after the effective date of this act.

Closing by Sponsor:

{Tape : 2; Side : B; Approx. Time Counter : 28.9}

Senator Vicki Cocchiarella, Sd 32, Missoula stated this bill is a preventative measure. She said this bill is not meant to increase regulation, but is a clarification of where rental businesses fit in the regulatory processs. She also noted that this will provide a uniform standard in the state.

ADJOURNMENT

Adjournment: 9:35 A.M.

SEN. MIKE TAYLOR, Chairman

KYANNE KELLY, Secretary

MT/KK

EXHIBIT (bus24aad)